

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 174

BY STATE AFFAIRS COMMITTEE

AN ACT

RELATING TO THE ABANDONMENT OF INTERESTS IN AND PROCEEDS FROM BUSINESS ASSOCIATIONS; AMENDING SECTION 14-510, IDAHO CODE, TO REVISE WHEN ABANDONMENT OCCURS AND TO MAKE TECHNICAL CORRECTIONS.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 14-510, Idaho Code, be, and the same is hereby amended to read as follows:

14-510. STOCK AND OTHER INTANGIBLE INTERESTS IN BUSINESS ASSOCIATIONS. (1) Except as provided in subsections ~~(2) and (5)~~ (4) of this section, any stock, shareholding or other intangible ownership interest in a business association, the existence of which is evidenced by records available to the association, is presumed considered abandoned if:

(a) and, with respect to the interest, in the association is the holder, if a dividend, distribution, or other sum payable as a result of the interest has remained unclaimed by the owner for five (5) years and the owner, owned by a person who within five (5) years, has not communicated in writing with the association regarding the interest or failed to:

(i) Claim a dividend, distribution, or other sum payable as a result of the interest; or

(ii) Communicate with the association regarding the interest or a dividend, distribution or other sum payable as the result of the interest, as evidenced by memorandum or other record on file with the association prepared by an employee of the association; and

(b) The association does not know the location of the owner at the end of the five (5) year period. The return of official shareholder notifications or communications by the postal service as undeliverable is evidence that the association does not know the location of the owner.

~~(2) At the expiration of a five (5) year period following the failure of the owner to claim a dividend, distribution, or other sum payable to the owner as a result of the interest, the interest is not presumed abandoned unless there have been at least five (5) dividends, distributions, or other sums paid during the period, none of which has been claimed by the owner. If five (5) dividends, distributions, or other sums are paid during the five (5) year period, the period leading to a presumption of abandonment commences on the date payment of the first such unclaimed dividend, distribution, or other sum became due and payable. If five (5) dividends, distributions, or other sums are not paid during the presumptive period, the period continues to run until there have been five (5) dividends, distributions, or other sums that have not been claimed by the owner.~~

~~(3) The running of the five (5) year period of abandonment ceases immediately upon the occurrence of a communication referred to in subsection (1)~~

~~of this section. If any future dividend, distribution, or other sum payable to the owner as a result of the interest is subsequently not claimed by the owner, a new period of abandonment commences and relates back to the time a subsequent dividend, distribution, or other sum became due and payable.~~

(2) This chapter applies to:

(a) The underlying stock, shareholdings or other intangible ownership interests of an owner;

(b) Any stock, shareholdings or other intangible ownership interest of an owner when the business association is in possession of the certificate or other evidence of ownership; and

(c) The stock, shareholdings or other intangible ownership interests of dividend and nondividend paying business association, whether or not the interest is represented by a certificate.

(3) At the time an interest is ~~presumed~~ considered abandoned under this section, any dividend, distribution, or other sum then held for or owing to the owner as a result of the interest, and not previously presumed abandoned, is ~~presumed~~ considered abandoned.

(54) (a) This chapter does not apply to any stock or other intangible ownership interest enrolled in a plan that provides for the automatic reinvestment of dividends, distributions, or other sums payable as a result of the interest unless:

(i) ~~The~~ records available to the administrator of the plan show, that the owner has not within five (5) years communicated in any manner described in subsection (1) of this section. ~~The holder shall maintain the record of such communications; or~~

(ii) Five (5) years have elapsed since the location of the owner became unknown to the association, as evidenced by the return of official shareholder notifications or communications by the postal service as undeliverable, and the owner has not within those five (5) years communicated in any manner described in this chapter.

(b) The five (5) year period from the return of official notifications or communications begins at the earlier of the return of the second of those notifications or communications or the time the holder discontinues mailings to the shareholder.